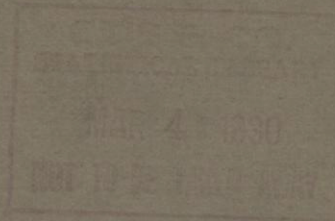


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THE
BABCOCK & WILCOX
COMPANY

FORTY-NINTH
ANNUAL REPORT



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FOR THE YEAR ENDING
DECEMBER 31, 1929

THE
BABCOCK & WILCOX
COMPANY

FORTY-NINTH
ANNUAL REPORT

FOR THE YEAR ENDING
DECEMBER 31, 1929

THE BABCOCK & WILCOX COMPANY

OFFICERS

A. G. PRATT.....President
ISAAC HARTER.....Vice President
C. W. MIDDLETON.....Vice President and Secretary
F. L. WARD.....Treasurer
WM. SHELDRIK.....Asst. Treas. and Asst. Secy.
S. R. MARSHALL.....Assistant Treasurer
F. H. HOLLOWAY.....Assistant Secretary

DIRECTORS

E. G. BAILEY	A. G. PRATT
F. J. FAULKS	J. J. RIKER
I. HARTER	A. A. TILNEY
C. W. MIDDLETON	WM. WOODWARD

General Offices.....85 LIBERTY STREET, NEW YORK, N. Y.

Stock Transfer Agents—BANKERS TRUST CO., 16 WALL STREET, NEW YORK
F. A. CLEARY, 74 LEXINGTON AVENUE, BAYONNE, N. J.
H. R. KAHRS, 74 LEXINGTON AVENUE, BAYONNE, N. J.

Registrars.....THE NEW YORK TRUST CO., 100 BROADWAY, NEW YORK
THE MECHANICS' TRUST CO., BAYONNE, N. J.

Auditors.....BARROW, WADE, GUTHRIE & CO.

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FORTY-NINTH ANNUAL REPORT

BAYONNE, N. J., Feb. 27, 1930.

To the Stockholders of

THE BABCOCK & WILCOX COMPANY:

The year 1929 was an exceptionally busy one in most branches of American industry, sales and production being in greater volumes than for the several prior years. Your Company benefited in common with others in that its sales were materially larger than for several years past. This was true of all the kinds of business in which the Company and its subsidiaries are engaged. Because of the nature of its products and the time element involved in their manufacture, shipments were not as great as sales; this is reflected by the orders in hand which, as of December 31, 1929, totaled \$13,698,756.26 as compared with \$9,647,410.82 at the close of 1928.

Sales fell off appreciably in November and December last, but have shown considerable improvement since the first of the year.

While no great changes took place in the character of equipment offered by the Company during the year, a number of improvements were made in products and processes which have proven advantageous to the Company and to the users of its products. Development and research work progressed satisfactorily.

All plants have been maintained at a high level of efficiency, and erection of additional buildings and manufacturing facilities was commenced at Barberton, Ohio, and at the tube mill at Beaver Falls, Pa. For several years your Company has been engaged, in a small way, in the production of superior refractories. By 1928 this business had increased sufficiently to warrant the building of a plant at Augusta, Ga. This plant is now being enlarged with a view to carrying on manufacturing operations both at East Liverpool and Augusta. These various plant additions will all be in operation within the next three months and will result in greater productive capacity and some reduction in cost. The Company's subsidiaries added materially to the progress made by the Company during the past year.

Inventories have been kept as low as possible, considering the need for materials for orders on hand; the increase over values as of December 31, 1928, is due to work in progress, that is, contracts partially manufactured but not shipped. Inventories have not been written down as costs were equal to or lower than market prices.

An extra dividend of 2% on the capital stock of the Company was paid on January 2, 1930, out of earnings for the past year.

Herewith is submitted balance sheet as of December 31, 1929, profit and loss account, and surplus account for the year 1929, certified by Barrow, Wade, Guthrie & Company, public accountants. Ample reserves

have been set up for doubtful receivables and proper provision has been made for depreciation of plants and equipment.

It is with deep sorrow and regret that we record the death on June 21, 1929, of Mr. John E. Eustis, a member of the Board of Directors since 1898 and Secretary of the Company since 1906. His wise counsel and lovable personality have been and will be greatly missed.

By Order of the Board of Directors

A. G. PRATT,
President.

THE BABCOCK &

Balance Sheet as at

ASSETS

CURRENT ASSETS:

Cash	\$4,067,218.86
Securities of the United States Government.....	3,484,358.28
Other Marketable Securities.....	1,215,895.45
Accounts Receivable	\$5,214,768.73
Accounts Receivable — Subsidiary Companies	142,136.06
Notes Receivable	519,127.98
	\$5,876,032.77

<i>Deduct</i> —Reserve for Doubtful Notes and Accounts	65,142.31	5,810,890.46

Accrued Interest	45,685.94
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Inventories:

Raw Materials, Work Completed and in Progress	4,184,228.82

TOTAL CURRENT ASSETS.....	\$18,808,277.81
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DEFERRED ACCOUNTS RECEIVABLE.....	330,515.00
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INVESTMENTS:

Stocks of Subsidiary Companies....	\$5,162,350.89	
Stocks and Bonds of Other Companies	3,400,680.80	
Advances to Subsidiary Companies.	1,713,854.04	10,276,885.73

FIXED ASSETS, LESS DEPRECIATION:

Real Estate and Buildings.....	\$3,655,780.25	
Machinery and Equipment.....	2,053,939.80	
Dies, Patterns and Drawings.....	228,000.00	5,937,720.05

DEFERRED CHARGES	55,055.65

\$35,408,454.24

AUDITORS' CERTIFICATE.

We have examined the books and records of The Babcock & Wilcox Company and have prepared therefrom the above Balance Sheet as at December 31, 1929.

Cash, Notes Receivable and Securities have been verified by us except as to such items as were held by the various Branch Offices.

Responsible Officials of the Company have certified to us the correctness of the Inventories, which are priced at Cost, and that all Liabilities in connection therewith have been incorporated in the accounts at December 31, 1929.

WILCOX COMPANY

December 31, 1929

LIABILITIES

CURRENT LIABILITIES:

Accounts Payable	\$656,995.90
Accounts Payable—Subsidiary Companies.....	18,535.00
Commissions, Wages, etc.	458,894.39
Dividends Payable	1,248,500.00
Advance Payments on Contracts.....	272,752.61
Reserve for Federal Income Taxes.....	328,006.62
TOTAL CURRENT LIABILITIES.....	<u>\$2,983,684.52</u>

RESERVES:

For Contingencies	2,500,000.00
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CAPITAL STOCK:

227,000 Shares—Par Value \$100.00	
each	\$22,700,000.00

SURPLUS:

Balance at December 31, 1929.....	7,224,769.72	29,924,769.72
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\$35,408,454.24

Provision has been made for Depreciation of Buildings, Machinery and Equipment and Federal Taxes.
Vouchers covering Expenditures made during the year for additions to Real Estate, Buildings, Machinery and Equipment were examined by us and found in order.
In our opinion, the foregoing Balance Sheet correctly sets forth the position of The Babcock & Wilcox Company at December 31, 1929.

NEW YORK, February 25, 1930.

BARROW, WADE, GUTHRIE & CO.
Accountants and Auditors

THE BABCOCK & WILCOX COMPANY

Profit and Loss Account for the Year Ended

December 31, 1929

Gross Profit on Operations, less Selling, Administrative and General Expenses.....	\$2,054,134.01
Less—Depreciation of Buildings, Machinery and Equipment, etc.	387,357.39
Net Profit on Operations.....	\$1,666,776.62
Income from Investments	789,127.13
Profit from Sale of Investments.....	107,527.66
Interest and Exchange.....	166,317.68
Foreign Trade Royalties.....	45,746.11
Rentals	4,035.03
	\$2,779,530.23
<i>Deduct:</i>	
Reserve for Federal Taxes.....	233,000.00
NET PROFIT, TRANSFERRED TO SURPLUS ACCOUNT	<u><u>\$2,546,530.23</u></u>

THE BABCOCK & WILCOX COMPANY

Surplus Account as at
December 31, 1929

Balance at January 1, 1929..... \$6,721,239.49

Add:

Profit from Operations and Income on Invest-
ments for the year 1929..... 2,546,530.23

\$9,267,769.72

Deduct:

Dividends Declared:

Paid July 1, 1929.....	\$397,250.00	
Paid October 1, 1929.....	397,250.00	
Payable January 2, 1930.....	397,250.00	
Payable January 2, 1930—Extra 2%	454,000.00	
Payable April 1, 1930.....	397,250.00	2,043,000.00

BALANCE AT DECEMBER 31, 1929..... \$7,224,769.72

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